

Message Text

UNCLASSIFIED

PAGE 01 BELGRA 06841 311604Z

42

ACTION OPIC-06

INFO OCT-01 EUR-12 ISO-00 EB-07 SS-15 AID-05 L-03 /049 W

----- 075278

P 311500Z DEC 75

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC PRIORITY 5135

INFO AMCONSUL ZAGREB

UNCLAS BELGRADE 6841

EO 11652 NA

TAGS: EFIN YO

SUBJ: REQUEST FOR OPIC INSURANCE BY DOW CHEMICAL TO COVER JOINT
VENTURE WITH INA

REF: A) APPLICATION FOR OPIC INSURANCE 158-75-248 DOW CHEMICAL
COMPANY;

B) STATE 303050

PASS OPIC

1. FOLLOWING REPORT PREPARED BY EMBASSY AND MAY BE SUPPLEMENTED WITH
ADDITIONAL MATERIAL DEVELOPED BY CONGEN, ZAGREB: ON JANUARY 23, 1975
DOW CHEMICAL COMPANY SIGNED A LETTER OF UNDERSTANDING WITH INA
(INDUSTRIJA NAFTE) FOR THE ESTABLISHMENT OF A JOINT VENTURE TO CON-
STRUCT AND OPERATE A MAJOR PETROCHEMICAL COMPLEX AT RIJEKA,
YUGOSLAVIA.

2. THE JOINT VENTURE WOULD PRODUCE A SERIES OF BASIC PETROCHEMICAL
PRODUCTS NEEDED BY THE YUGOSLAV CHEMICAL, PLSTICS, AND SYNTHETIC
RUBBER
INDUSTRIES. THESE PRODUCTS CURRENTLY MUST BE IMPORTED BY YUGOSLAVIA
AT SUBSTANTIAL COST. THIS INVESTMENT WOULD BE OF CONSIDERABLE
ECONOMIC BENEFIT, NOTABLY IN IMPROVING YUGOSLAVIA'S
BALANCE OF PAYMENTS POSITION.

3. DOW CHEMICAL HAS A GOOD REPUTATION IN YUGOSLAVIA, HAVING
ALREADY ENTERED INTO A LARGE JOINT VENTURE WITH OKI
(ORGANSKO KEMIJSKA INDUSTRIJA) IN THE PETRO CHEMICAL INDUSTRY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BELGRA 06841 311604Z

EXPECTED TO COME ON STREAM IN 1976. REPORTEDLY BOTH DOW AND

ITS YUGOSLAV PARTNER ARE PLEASED WITH RESULTS
OF THIS JOINT VENTURE.

4. GOY APPROVAL HAS NOT YET BEEN GRANTED, AS THE NEGOTIATIONS
BETWEEN INA AND DOW ARE NOT COMPLETE. THE FEDERAL COMMITTEE ON ENERGY
AND INDUSTRY EXPECTS COMPLETION OF NEGOTIATIONS AND REGISTRATION
WITH THE COMMITTEE (EQUIVALENT TO GOVERNMENT APPROVAL) TO TAKE PLACE
IN JANUARY, 1976.

5. THE INVESTMENT APPEARS TO MEET THE CRITERIA OF SECTION 231
(F) AND (G) OF THE FOREIGN ASSISTANCE ACT. THE DOW-INA AGREEMENT
HAS RECEIVED CONSIDERABLE FAVORABLE PUBLICITY IN YUGOSLAVIA AS
POTENTIALLY THE LARGEST JOINT VENTURE INVESTMENT IN
YUGOSLAVIA TO DATE. THE PROJECT IS IN A PRIORITY AREA OF
YUGOSLAV INVESTMENT AND SEEMS TO BE VIEWED HIGHLY FAVORABLY BY
FEDERAL AND REPUBLIC GOVERNMENT OFFICIALS.

6. THE INVESTMENT CONFORMS WITH US POLICY TO BROADEN
ECONOMIC RELATIONS WITH YUGOSLAVIA. THE EMBASSY PERCEIVES NO
POLITICAL OR ECONOMIC OBJECTIONS TO THE JOINT VENTURE AND
RECOMMEND APPROVAL BY OPIC.

SILBERMAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, CHEMICAL INDUSTRY, JOINT VENTURES, PRIVATE INVESTMENTS, INVESTMENT LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 31 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BELGRA06841
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750451-0551
From: BELGRADE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975122/aaaaabmg.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 STATE 303050
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2003 by ReddocGW>; APPROVED <06 FEB 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR OPIC INSURANCE BY DOW CHEMICAL TO COVER JOINT VENTURE WITH INA
TAGS: EFIN, YO, OPIC, DOW CHEMICAL COMPANY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006